? 1 AUG 1959

MEMORANDUM FOR: Deputy Director/Intelligence

SAIRJECT:

Semi-Final Draft of Paper on "Meeting the Information Problem Arising from the Sino-Soviet Economic

Challenge"

- 1. This memorandum is for your information and is in response to your request for comments on the subject paper.
- 2. The paper addresses itself to the problem of offsetting the impact of the economic successes being scored by the Sino-Soviet Bloc countries, and of countering the accompanying propaganda programs in the so-called underdeveloped countries of the world. In general, the paper correctly assesses the achievements of the Sino-Soviet Bloc through these propaganda programs.
- 3. Paragraph 6, beginning on page 3, stresses the need for more clearly identifying the interests of the US with those of the underdeveloped countries stressing that we have mutuality of interest in their freedom, independence, and economic progress. The Soviets in their propagands have very cogently and effectively identified themselves with the aspirations of the underdeveloped countries; and it is clear, therefore, that the image of US attitudes to be dramatised by our information activities will be of major importance in combating the Soviet threat.
- 4. Paragraphs c. and h., under paragraph 6, stress the need to publicise the economic achievements of the US and other free World nations. These points are elaborated in paragraph 7, notably in paragraphs 7.a., b., d., and i.; however, no mention is made of the importance of relating these achievements to the problems of the underdeveloped countries. The proposal to constitute a permanent exhibition devoted to the American economy, for example, fails to recognize the abstract character of any economy. Such a program may result in a product which creates a reaction of envy or hopelessness rather than interest in an economic system. The Soviets have been particularly successful in relating the experience of their rapid economic development to the problems and economic aspirations of the underdeveloped nations. The effective manner in which the Soviets have been able to propagandize this relevance is reflected by the

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reactions of many of the politically articulate people in the underdeveloped countries and has contributed to the attractiveness of the Soviet system as a model for these nations.

- 5. Paragraph è., under paragraph 6, suggests that we demonstrate our interest in the economic development of other nations but hastens to add that we should avoid encouraging unrealistic expectations and should make clear that the primary responsibility for economic growth remains with the country concerned. This seems to suggest sympathy with very little promise of substantive support. This is an area where our public information program obviously must maintain a very delicate balance and where the impressions conveyed are of critical importance. Perhaps we should indicate that we are available to discuss conditions and programs which would increase the chances of these nations for economic development rather than give the impression that we're cheering for them but that we are not anxious to help. The Soviets clearly recognize the limited prospects for economic growth in these countries and the limited extent to which foreign aid can speed this growth process. Nevertheless, Soviet propaganda has encouraged these countries to consult with the USSR to seek its advice and assistance and has been careful not to throw cold water on the aspirations of these nations with a "banker's" approach to their problems. The tenor of this paragraph suggests an everriding preoccupation with the "banker's" approach.
- 6. With respect to the program for countering Sino-Soviet Bloc propaganda claims (paragraph 7), we agree with the drafters of this paper that these claims are susceptible of deflation and that there are a number of themes in this regard that can be developed more effectively. However, US information activity should be careful in this process of deflation not to overstate its case in an indefensible way. We refer particularly to paragraph 1, which suggests a study of the unreliability and deliberately misleading character of Soviet statistics. Unless a study on this subject is discriminating, it could easily be refuted and could react unfavorably against the United States.
- 7. It occurs to us that very little has been done to obtain the participation of US labor in either the formulation of public information policy in this field or in its implementation. Many elements of the Bloc propagands offensive in the underdeveloped areas could be effectively countered through the assistance of representatives from US labor organizations.

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8. We feel that the suggestion in paragraph 7.c. is a good one and we feel that this Office could make a useful contribution through the CIA representative on such a group. 25X1A9a

Deputy Assistant Director Research and Reports

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